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West Africa Trade Hub



Scaling up AGOA Exports

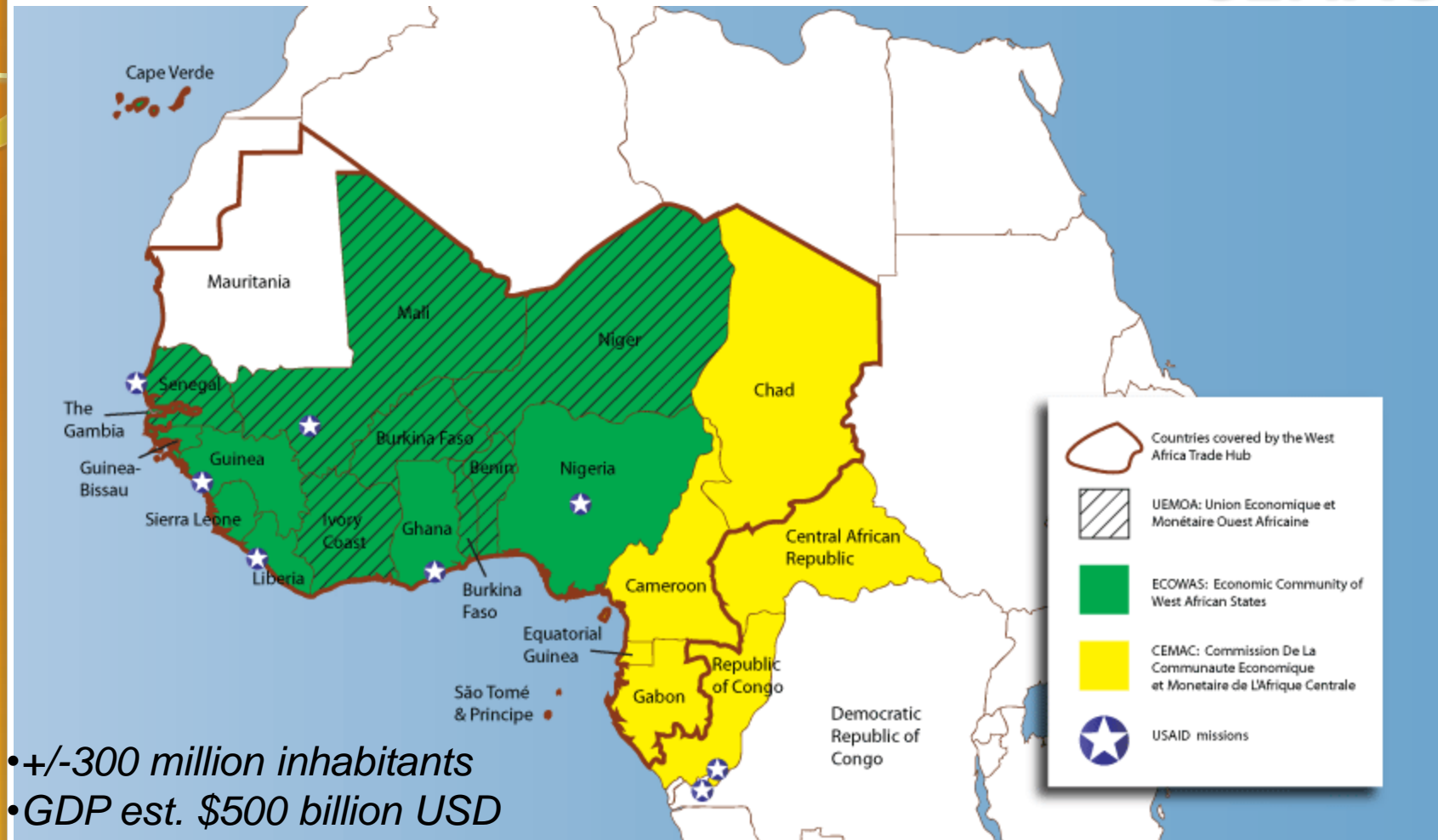
Vanessa Adams
Director
West Africa Trade Hub

Lagos, Nigeria
June 10, 2009



West Africa Trade Hub

In 21 countries, with UEMOA, ECOWAS, & CEMAC



Offices in Accra, Dakar, & Arlington;
Virtual team in Ouaga, Abuja, & 18 ARCs

Hub Goals for West Africa

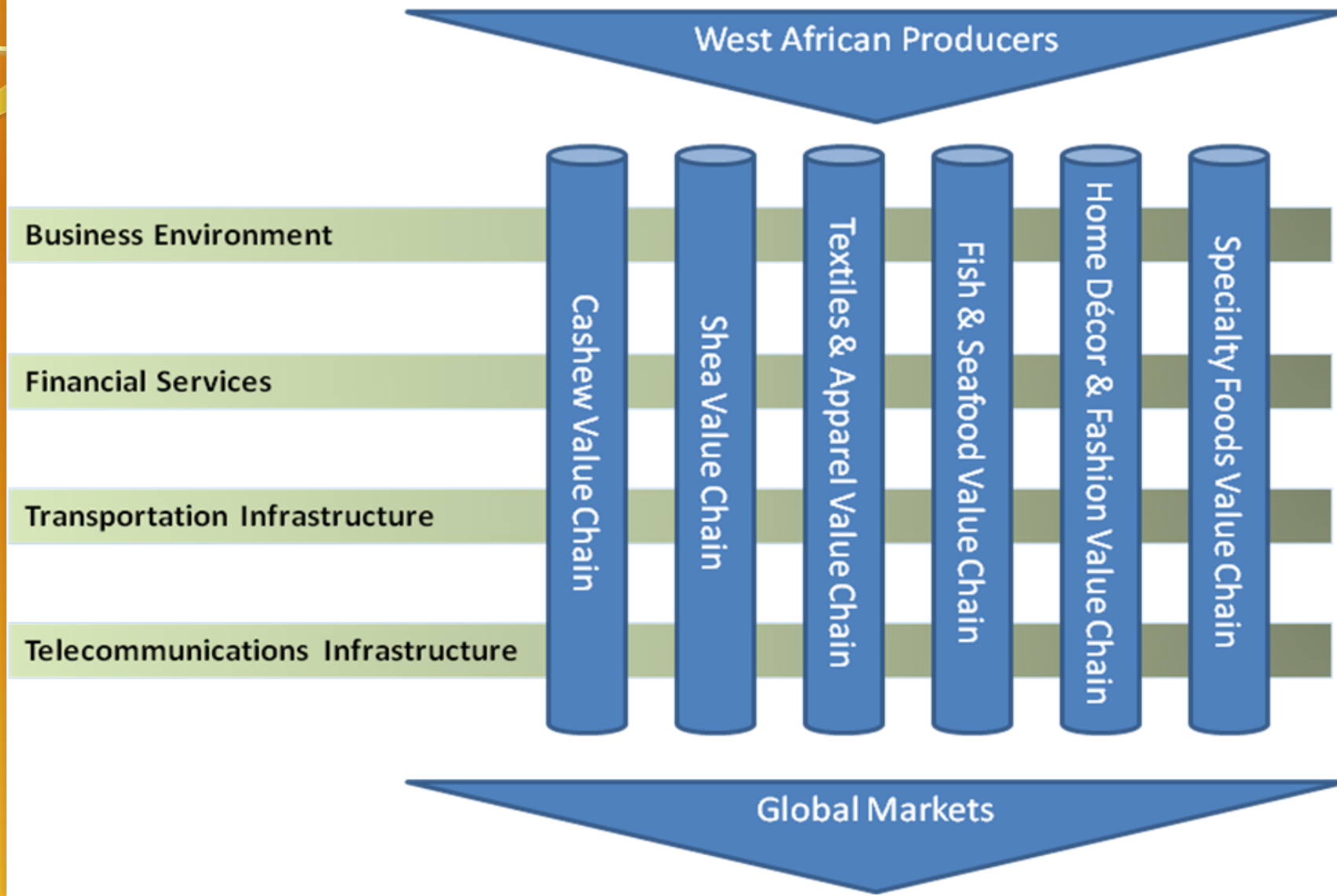
Increase Trade and Investment

Improve Trade Infrastructure & Business Environment

Expand Financial Sector Services



Value Chain Approach Informs Trade Policy & Infrastructure Improvements



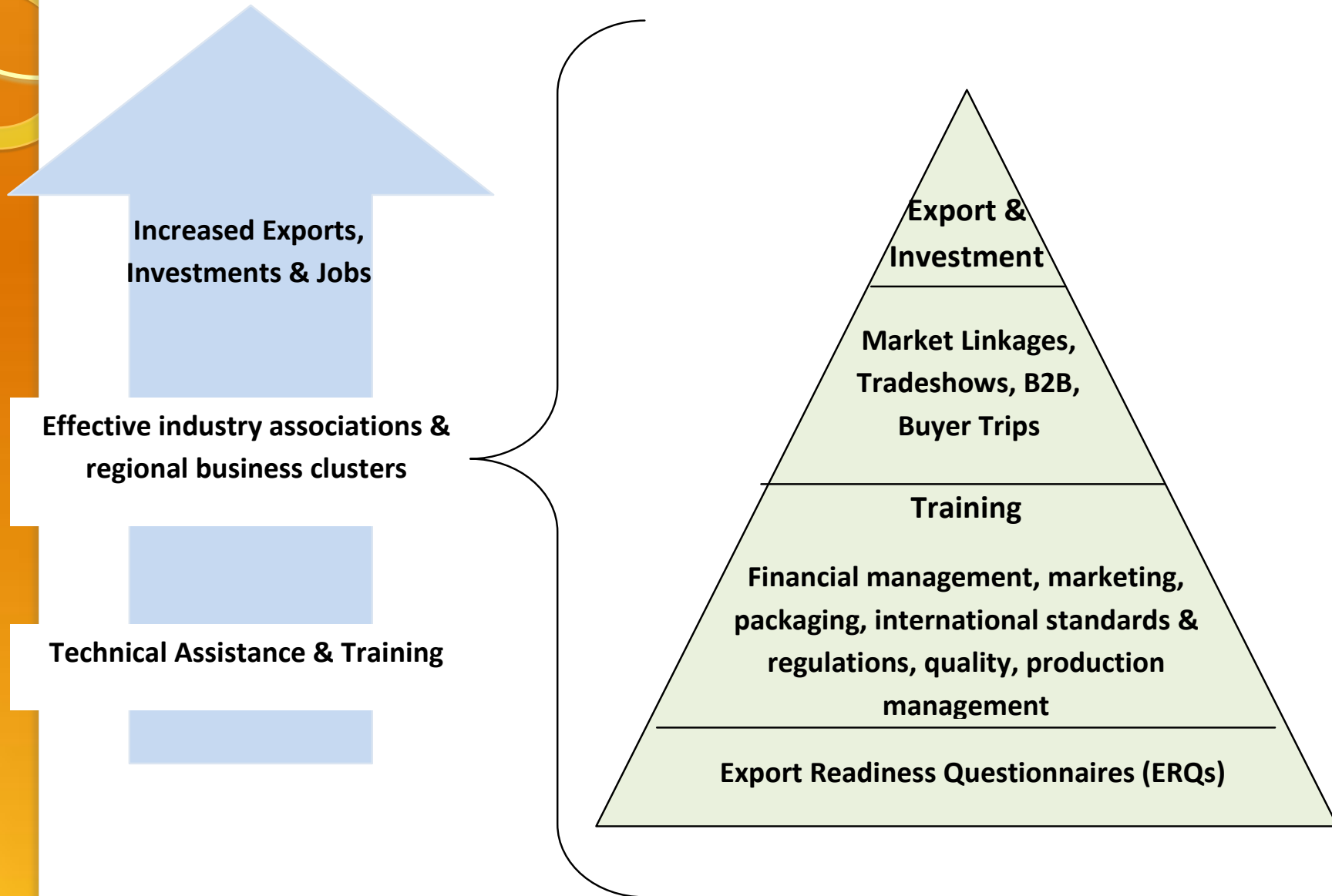
Trade and Investment Enterprise Development

Increase the export capacity of products with high growth potential.

- Apparel & textiles
- Home Decor, fashion accessories
- Shea nuts, butter and cosmetic products
- Fish and seafood
- Cashew
- Specialty foods



Trade & Investment Capacity: Approach & Objectives





Trade & Investment Capacity

Enterprise Development Case Study

African Cashew Alliance (ACA)

Public Private Partnership, founded 2005/6

- *Improving farmer income*
- *Expanding cashew processing capacity*
- *Increasing international demand*

Activities include:

National Committee Meetings & Best Practices Dissemination

Quarterly newsletter, E-Library

Annual International Stakeholder Conference

International Trade Shows (ANUGA, PNTNA, Fancy Food Show, AFI)



**20 founding members;
50 + paying members**



Global Trading & agency bv



www.africancashewalliance.org

...And others



Industry Clusters: Leveraging Success...

Bill+Melinda Gates Foundation \$50million project for development of cashew value chain in Africa

The Bill & Melinda Gates Foundation supports US\$40 million public-private partnership to develop cashew sector in five African countries

\$25 million from BMGF, \$25 million in-kind and from processors, traders, marketers, equipment suppliers and retailers.

Overall objective: Increase farmer income!

- GTZ-led project: farmer training
- TechnoServe: processing capacities
- FairMatchSupport: farmer cooperative training
- ACA: promote African cashews internationally,

facilitate investments, value chain linkages, best practices

A 'Dream Team' for African Cashew Value Chains is Born!

Great news for African cashew! The Bill & Melinda Gates Foundation announced Feb. 17 a US\$23 million investment into the cashew value chains of Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mozambique – a reward after more than one year's hard work on the project.

ACA members and partners in the cashew industry worked with German Technical Cooperation (GTZ), the lead agency in the project, TechnoServe, a rural business solutions provider, and FairMatchSupport, a fair trade and organic certifying body, on the successful project proposal. They provided key data on cashew production, processing capacity, as well as international market intelligence and linkages to international industry buyers. The industry perspective helped demonstrate the economic growth and development potential



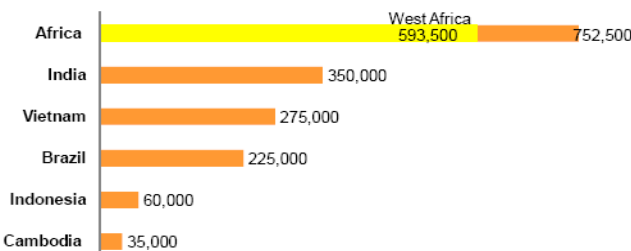
Cashew stakeholder meeting in Eschborn, Germany (June 2008)

said Minata Kone, director of Sotria-B in Burkina Faso. "I really need this kind of technical assistance to develop these skills."

More than 100,000 farmers will be trained by GTZ and FairMatchSupport's agriculture specialists. TechnoServe's technical expertise will



Opening of processing site, Benin, December 2006



The Shea Value Chain:

A uniquely African industry



Specialty Foods Sector

Market Potential

- \$62.9 billion (2007)
 - Accounts for 12.5% of all retail food sales
 - Increasing market share: spec. food retail sales grew by almost 20% between '05 and '07; total food sales grew by 5.4%
 - Retail sales still grew by 1.5% in 2008 while other sectors are stagnating or declining

Safety and Quality Requirements

- FDA registration; SPS standards; HACCP certification
- Niche: Organic, Fair Trade, Rainforest Alliance, Kosher, Halal

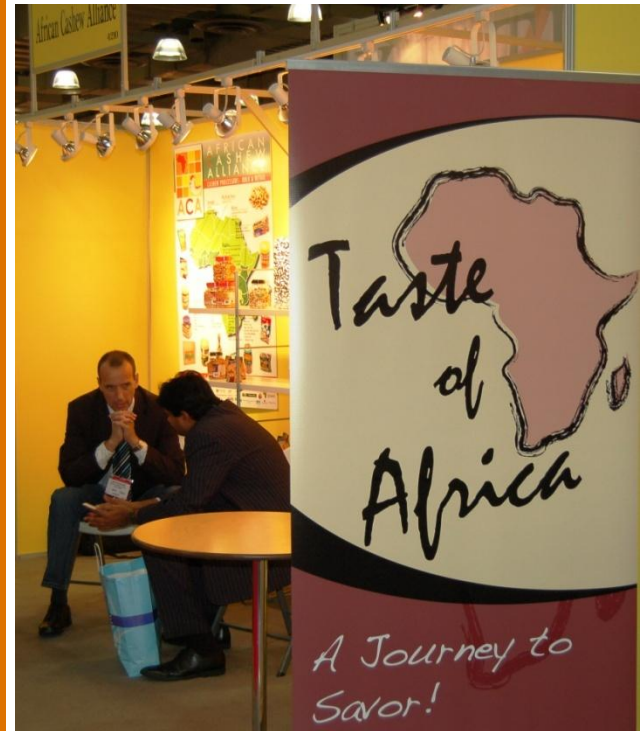
Challenges

- Quality packaging
- Consistent raw material supply
- Competitive pricing
- Consistent production at sufficient quantities



Market Linkages: Leveraging Partnerships

- National Export Promotion Councils: NEPC, GEPC, ASEPEX, Niger State Commodity & Export Promotion Agency
- Industry associations: ACA, GAMA, AAFEX
- Donors: GTZ, USADF
- NGOs or projects: NACC, SIAO, Design Africa, SATH, AAFEX, CECI



2009 Fancy Food Show Partners:

- WA and SA Trade Hubs
- ACA, AAFEX, GEPC
- Tallier Trading

FY2009 Market Linkages Events

- Cashew National Meetings – Cote d'Ivoire, Guinea Bissau, Nigeria
- EARC Launch – Benin, Burkina Faso, Nigeria, Cameroon
- Salon Intl d'Artisanat de Ouaga – Burkina Faso (Nov 2008, Nov 2010)
- California Gift Show – LA, US (Jan, July)
- New York International Gift Fair – NYC, US (Jan, Aug)
- Sustainable Seafood Alliance & Conferences – Netherlands, Spain, US
- MAGIC (Apparel)– Las Vegas, US (Feb, August)
- International Boston Seafood Show – US (March)
- International Shea Conference – Burkina Faso (March)
- American Food Industry Annual Conference – Florida (April)
- International Nut Council – Monaco (May)
- European Seafood Show – Belgium (May)
- Cosmetic Chemists Supplier's Days – NJ & Long Beach, US (May, Oct)
- Fancy Food Show – NYC, US (June 28-30)
- Trade Finance 2009 Conference & Investor Forum – Senegal (July 7-9)
- ARC Conferences & Training – Senegal (July)
- AGOA Forum – Kenya (Aug 4-6)
- African Cashew Alliance Annual Conference – Abidjan, Cote d'Ivoire (Sept 1-3)

Trade & Investment Capacity

AGOA Services

- 18 AGOA Resource Centers support national export strategy development & industry clusters to be competitive and grow exports—annual training.
- 4 Expanded ARCs in 2009: Benin, Burkina, Cameroon, Nigeria
- AGOA Export Toolkits; new web portal www.agoatoolkit.com



- Export Ready Companies identified through, ARCs, Export Readiness Questionnaires, site visits.
- Industry-specific Training: financial management, marketing, packaging, international standards, production management, regulatory requirements.
- Support to export industry associations and export promotion agencies.



Business Environment

Goals & Focal Points

*Helping ECOWAS help the private sector complete:
Common External Tariff (CET) negotiations,
Implement a Regional Trade Information System (RTIS),
and conduct a Trade Liberalization Gap Analysis.*

Facilitate Regional
Economic
Integration

Reduce Complexity
& Cost of Trade
Across Borders

Increase Trade and
Reduce Poverty

Regional Trade
Agreements

What is the law?

National Customs
Administrations

How is it applied?

Private Sector Traders and
Transit Service Providers

How do you manage compliance?

ECOWAS Trade Liberalization Scheme

Gap Analysis & Guidebook



Public Sector

- Have Member States legally adopted ETLS measures?
- Are the measures being implemented?
- Areas of focus: free movement of persons; free movement of goods; transit and transport

Private Sector

- Is the private sector aware of and utilizing the ETLS?
- Where is private sector finding ETLS policy implementation shortfalls? e.g. Tariff applied on a good that should tariff free.

Transport Infrastructure: Improved Road Transport Governance & Cost Reduction

Tracking, verifying and publicizing data on bribes and delays along major cargo corridors. Identifying and publicizing costs of road transport.

Quarterly reports from Burkina Faso, Ghana, Mali and Togo Focal Points, generate map!

Thousands of drivers trained.

2009 Launching new corridors:

- Bamako-Dakar
- Bamako/Ouaga-Abidjan
- Cotonou-Niamey
- Abidjan-Lagos

Costs of Overloading Trucks

Overloaded trucks are paying stiff penalties in Niger for violating UEMOA's axle-load limits and gross weight rules. In \$US.

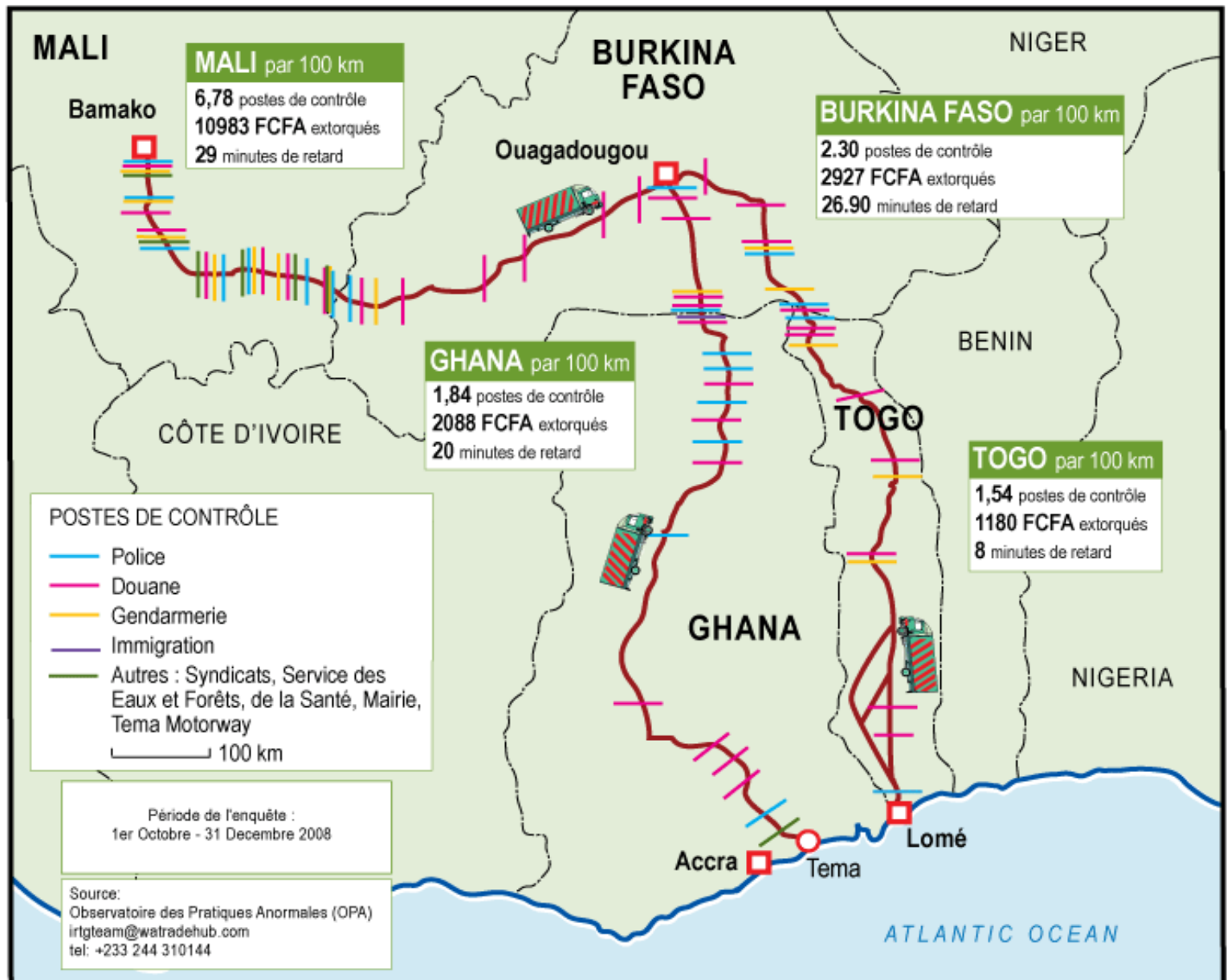
weight:	70 tons (excess: 40 tons)
weighing fee:	\$2
penalty fee:	\$120 per ton
total penalty:	\$4,800
cost of hiring	
2 trucks to carry excess:	\$1,200
cost of labor to	
offload truck:	\$40
cost of bribe to officials:	\$40

GRAND TOTAL: \$US 6,202

source: Caisse Autonome de Financement et de l'Entretien Routier



6th IRTG Report: Oct 1-Dec 31, 2008



Financial Services: Mobile Money

- Facilitating Cross Border, Multi-Currency transactions over mobile phones.
- Focus on Ghana, Nigeria and Senegal—partnering with national and regional public and private stakeholders
- Via Bank—like e-banking, but m-banking; Via Teleco—settled daily via bank

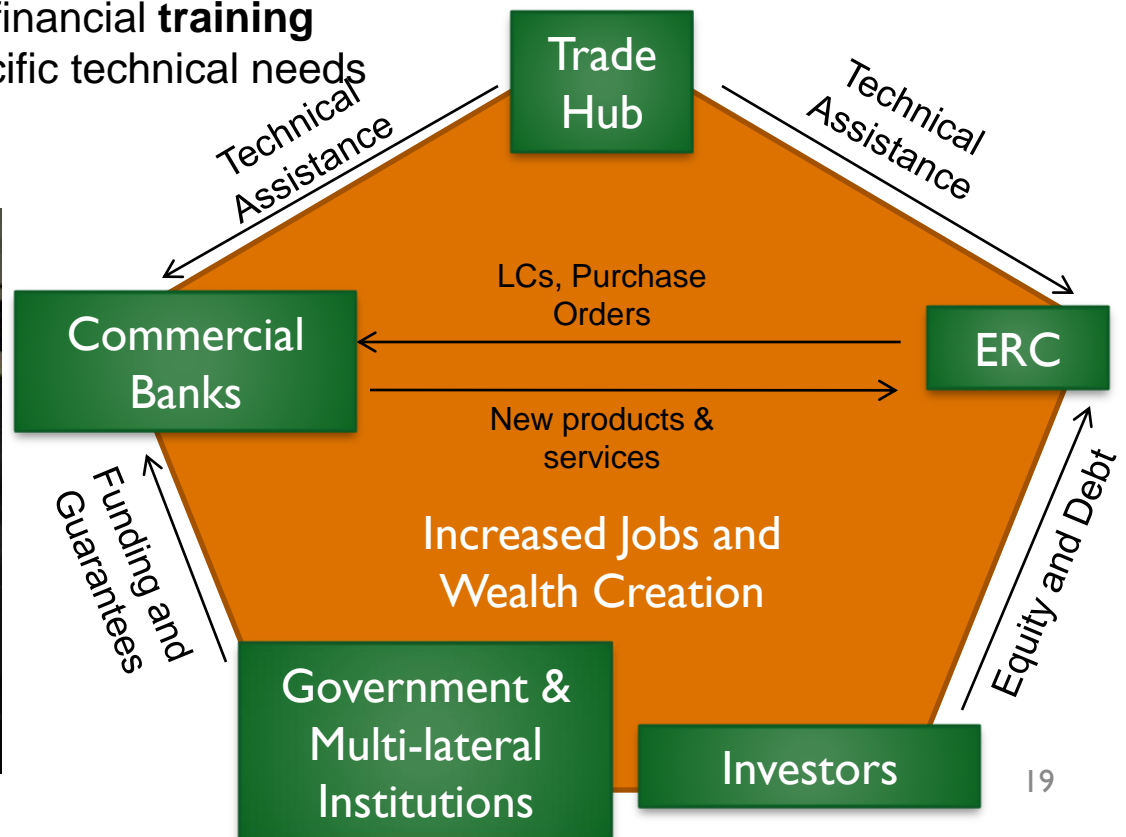
- Not available outside currency zones (cedi to naira to cfa); \$\$ threshold too low
- High taxation barriers; lack of agency coordination; undue govt intervention.
- Lack of Interconnectivity; Competing products and systems. Need regional switch & clearing house; software for spot transactions.
- Lack of security & credibility of systems
- Regional Roaming: Cost is a barrier. No mobile service, no mobile money.



Financial Services: Approach

Based on Value Chain approach the Trade Hub:

- Facilitates dialogue with regulatory authorities
- Leverages partnerships:
 - Commercial Banks
 - Multi- and Bilateral Financial Institutions
 - Investors
 - Buyers
- Provides industry-specific financial **training**
- Assists with company-specific technical needs





West Africa Trade Hub / Centre Ouest Africain pour le Commerce / Centro para o Comercio na Africa Ocidental

Issue 18

May 2009

Overweight trucks stopped as Niger implements rule

Hundreds of trucks are stopped at Matakond on the Niger-Burkina Faso border – and some have been stuck there for months. Niger authorities say they are overweight in violation of regional regulations on axle weight limits adopted by the Union Economique et Monetaire d'Ouest Afrique in 2005.



Optimism reigns at cashew project launch

Industry stakeholders launched the \$45 million project to increase cashew farmer incomes, African processing capacity and a sustainable market, visiting the Mim Cashew processing facility for a close up look at the industry in action. "We're optimistic," said Lars Walleik, one of the company's directors, echoing the overwhelming sentiment of the group as the project takes off.



Certification can give companies an edge

Is getting certified a way for producers to thrive during the global recession? Certification is no panacea, but it does create market opportunities for companies.



Lowering transport costs a big challenge

The high cost of moving goods along West Africa's roads, among the world's highest, could be lowered through private sector initiatives to eliminate or reduce key inefficiencies.



What's Happening Around the Hub



Christian Dahm, the Trade Hub's African Cashew Alliance Secretariat manager, organized a trip for representatives of a major U.S. retailer to cashew processing sites in Nigeria, Ghana, Burkina Faso and Benin. The aim was to learn about the cashew value chain and evaluate the processing industry in West Africa. The team inspected processing technology, work and hygienic conditions, and discussed steps forward for building up processing capacity, export volumes and quality in the region. The Trade Hub team used the occasion to showcase Tema's port facilities and a cocoa processing plant in Ghana, pineapple drying in Benin as well as mango drying in Burkina Faso.

Find out more

www.watradehub.com

Subscribe to **Tradewinds**, monthly e-newsletter: info@watradehub.com

THANK YOU



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